

# **State of Alaska FY2006 Governor's Operating Budget**

**Office of the Governor  
Office of Management and Budget  
RDU/Component Budget Summary**

**RDU/Component: Office of Management and Budget***(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)***Contribution to Department's Mission**

To improve the effectiveness and efficiency of state government by providing budgetary, policy development, management and auditing services to the Governor and state agencies.

**Core Services**

- Prepare, secure its approval, and implement the Governor's Budget.
- Guide agencies for continuous improvement of services.
- Coordinate Single Audits for grantees.

End Results	Strategies to Achieve Results
<b>A: Achieve long-term fiscal stability in the State of Alaska</b>  <u>Target #1:</u> Balance recurring expenditures with recurring revenue within a five year period <u>Measure #1:</u> Annual percentage of recurring expenditures paid for by recurring revenues	<b>A1: Reduce reliance on Constitutional Budget Reserve in order to balance budget</b>  <u>Target #1:</u> No greater than a \$400 million draw from the Constitutional Budget Reserve in FY2006 <u>Measure #1:</u> Amount drawn from the Constitutional Budget Reserve in FY2006  <b>A2: Fund initiatives that over time will provide increased revenue to the State</b>  <u>Target #1:</u> Number of new revenue-producing initiatives funded <u>Measure #1:</u>
End Results	Strategies to Achieve Results
<b>B: Departments show improvement towards their performance targets</b>  <u>Target #1:</u> 90% of agencies and divisions achieve or show improvement towards achieving their performance targets <u>Measure #1:</u> Percent of departments and agencies that are achieving or showing improvement towards achieving their performance targets	<b>B1: Improve the agencies' capacity to link activities to end results</b>  <u>Target #1:</u> 98% of all agencies and divisions have strategic frameworks that establish a link between desired results and the activities necessary to produce them <u>Measure #1:</u> Percent of agencies and divisions with strategic frameworks that report the link between desired results and activities  <u>Target #2:</u> 98% of agencies and divisions report their results on a yearly basis (minimum) <u>Measure #2:</u> Percent of agencies and divisions with strategic frameworks that are reporting their results

**Major Activities to Advance Strategies**

- Strategic planning work sessions
- Collaborate with departments

### Major Activities to Advance Strategies

- Produce performance management plans
- Continued performance management training and coaching
- Identify, prioritize and fund traditional responsibilities
- Develop and propose appropriate legislation
- Research and analyze new service improvement ideas
- Public outreach
- Identify priority programs and projects set out by the Governor
- Implement budget software enhancements

### FY2006 Resources Allocated to Achieve Results

**FY2006 Component Budget: \$1,876,000**

**Personnel:**

Full time	21
Part time	0
<b>Total</b>	<b>21</b>

## Performance Measure Detail

### A: Result - Achieve long-term fiscal stability in the State of Alaska

**Target #1:** Balance recurring expenditures with recurring revenue within a five year period

**Measure #1:** Annual percentage of recurring expenditures paid for by recurring revenues

#### A1: Strategy - Reduce reliance on Constitutional Budget Reserve in order to balance budget

**Target #1:** No greater than a \$400 million draw from the Constitutional Budget Reserve in FY2006

**Measure #1:** Amount drawn from the Constitutional Budget Reserve in FY2006

#### Amount Drawn From the Constitutional Budget Reserve

Fiscal Year	YTD
FY2005	0.0
FY2004	10.8
FY2003	83.1
FY2002	134.3

#### A2: Strategy - Fund initiatives that over time will provide increased revenue to the State

**Target #1:** Number of new revenue-producing initiatives funded

**Measure #1:**

### B: Result - Departments show improvement towards their performance targets

**Target #1:** 90% of agencies and divisions achieve or show improvement towards achieving their performance targets

**Measure #1:** Percent of departments and agencies that are achieving or showing improvement towards achieving their performance targets

**Percent Achieving or Showing Improvements Towards Achieving Performance Targets**

Year	YTD
2004	48%

**Analysis of results and challenges:** This number is based only on those departments and agencies reporting results.

In addition, results in the following categories were not counted as showing annual progress:

1. Targets and Measures that are too new to offer data;
2. Targets and Measures that only had one year of data; and
3. Results where the reader could not immediately determine whether or not the target had been met.

**B1: Strategy - Improve the agencies' capacity to link activities to end results**

**Target #1:** 98% of all agencies and divisions have strategic frameworks that establish a link between desired results and the activities necessary to produce them

**Measure #1:** Percent of agencies and divisions with strategic frameworks that report the link between desired results and activities

**Percent Reporting Linkage Between Desired Results and Activities**

Year	YTD
2004	92%

**Target #2:** 98% of agencies and divisions report their results on a yearly basis (minimum)

**Measure #2:** Percent of agencies and divisions with strategic frameworks that are reporting their results

**Percent Reporting Whether Results and Strategies Are Being Advanced**

Year	YTD
2004	57%

**Key Component Challenges**

- Regardless of the price of oil, the state needs a long-range fiscal plan that balances the budget while maintaining stability for the Alaska economy and reliable services for Alaskans.
- The growing backlogs of school construction and deferred maintenance for schools and state facilities must be addressed with a plan that provides long-term financing.
- Further work is needed to implement more effective results-based budgeting and decision making.
- The Alaska Public Building Fund program should be expanded to include additional state facilities. The program incorporates the cost of facility maintenance and operations into agencies' operating budgets and brings in non-general fund dollars where appropriate. Additional funds will still be needed to fix the deferred maintenance backlog.

**Significant Changes in Results to be Delivered in FY2006**

*Mission and Measures* – OMB has made significant progress in advancing the state along its journey to becoming a performance-based managing and budgeting government. In preparation for fiscal year 2006, all agencies have, with Missions & Measures as a foundation, created performance management plans that communicate specific end results to be delivered, enabling strategies, performance targets with attendant measures, and logically connected programmatic activities. These “road maps” will be used by OMB to guide future funding recommendations and by agency management as a tool to assist in making enlightened, forward-looking management decisions.

**Major Component Accomplishments in 2004**

- Met the Governor's constitutional budget reserve draw target by reducing spending, which contributed to an upgrade

in the State's Moody's credit rating.

- Improved the capacity for agencies to align resources with priority service results by implementing Missions and Measures performance management program.
- Further refined the Missions and Measures web site as a communication tool on how public money is being invested to produce results that matter to Alaskans.
- Made substantial improvements to the online Alaska Budget System used by departments to submit their budgets to OMB.
- Worked to reduce state spending through Lean Enterprise Team projects on establishing a central State travel office, procurement, the State Equipment Fleet, telecommunications, and overtime management.

## Statutory and Regulatory Authority

AS 37.07, AS 37.06, AS 44.19.145

Contact Information
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### Office of Management and Budget Component Financial Summary

*All dollars shown in thousands*

	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	1,576.8	1,828.3	1,759.0
72000 Travel	35.2	7.0	7.0
73000 Services	95.2	101.0	96.0
74000 Commodities	28.9	9.0	9.0
75000 Capital Outlay	21.0	5.0	5.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>1,757.1</b>	<b>1,950.3</b>	<b>1,876.0</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	1,738.0	1,950.3	1,876.0
1007 Inter-Agency Receipts	19.1	0.0	0.0
<b>Funding Totals</b>	<b>1,757.1</b>	<b>1,950.3</b>	<b>1,876.0</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
<b><u>Unrestricted Revenues</u></b>				
None.		0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b><u>Restricted Revenues</u></b>				
Interagency Receipts	51015	19.1	0.0	0.0
<b>Restricted Total</b>		<b>19.1</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Estimated Revenues</b>		<b>19.1</b>	<b>0.0</b>	<b>0.0</b>

**Summary of Component Budget Changes  
From FY2005 Management Plan to FY2006 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2005 Management Plan</b>	<b>1,950.3</b>	<b>0.0</b>	<b>0.0</b>	<b>1,950.3</b>
<b>Adjustments which will continue current level of service:</b>				
-Transfer audit position to Department of Administration, Division of Finance	-93.9	0.0	0.0	-93.9
-FY06 Cost Increases for Bargaining Units and Non-Covered Employees	19.6	0.0	0.0	19.6
<b>FY2006 Governor</b>	<b>1,876.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,876.0</b>

**Office of Management and Budget  
Personal Services Information**

Authorized Positions			Personal Services Costs	
	<u>FY2005</u> <u>Management</u> <u>Plan</u>	<u>FY2006</u> <u>Governor</u>		
Full-time	22	21	Annual Salaries	1,323,801
Part-time	0	0	Premium Pay	633
Nonpermanent	0	0	Annual Benefits	605,675
			<i>Less 5.39% Vacancy Factor</i>	(104,109)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>22</b>	<b>21</b>	<b>Total Personal Services</b>	<b>1,826,000</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Admin Support Technician	0	0	2	0	2
Analyst Programmer III/IV	0	0	1	0	1
Analyst/Programmer V	0	0	1	0	1
Chief Analyst	0	0	1	0	1
Chief Budget Analyst	0	0	1	0	1
Director of OMB	0	0	1	0	1
Internal Auditor	0	0	1	0	1
Internal Auditor IV	0	0	1	0	1
Management Analyst	0	0	1	0	1
Management Analyst III	1	0	0	0	1
OMB Administrative Assistant	0	0	1	0	1
Program Budget Analyst III	0	0	1	0	1
Program Budget Analyst IV	0	0	2	0	2
Program Budget Analyst V	0	0	5	0	5
Senior Economist	0	0	1	0	1
<b>Totals</b>	<b>1</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>21</b>